

## 2006 Tax Information for Canadian Residents

The following information is intended to assist a holder of trust units of the Keyera Facilities Income Fund (the Fund) who, for the purposes of the Income Tax Act of Canada (Act) is a resident of Canada and who holds the units as capital property. Unitholders are encouraged to seek advice from a qualified tax advisor with respect to the tax treatment of distributions received from the Fund in their particular situation.

Cash distributions declared in 2006 totaled \$1.428, of which 57.0% is a **return of capital**, 8.79% is **dividend income** and 34.21% is **ordinary income**.

The table below identifies the portion of the Fund's distributions that were **taxable** and **returns of capital** for Canadian Income Tax purposes.

		Taxable	Taxable	Tax Deferred	
Record Date	Payment Date	Other Taxable Income (Cdn\$)	Dividend Income <sup>1</sup> (Cdn\$)	Return of Capital (Cdn\$)	Total Distributions Paid (Cdn\$)
January 31, 2006	February 15, 2006	\$0.04071	\$0.01046	\$0.06783	\$0.119
February 28, 2006	March 15, 2006	\$0.04071	\$0.01046	\$0.06783	\$0.119
March 31, 2006	April 17, 2006	\$0.04071	\$0.01046	\$0.06783	\$0.119
April 28, 2006	May 15, 2006	\$0.04071	\$0.01046	\$0.06783	\$0.119
May 31, 2006	June 15, 2006	\$0.04071	\$0.01046	\$0.06783	\$0.119
June 30, 2006	July 17, 2006	\$0.04071	\$0.01046	\$0.06783	\$0.119
July 31, 2006	August 15, 2006	\$0.04071	\$0.01046	\$0.06783	\$0.119
August 31, 2006	September 15, 2006	\$0.04071	\$0.01046	\$0.06783	\$0.119
September 29, 2006	October 16, 2006	\$0.04071	\$0.01046	\$0.06783	\$0.119
October 31, 2006	November 15, 2006	\$0.04071	\$0.01046	\$0.06783	\$0.119
November 30, 2006	December 15, 2006	\$0.04071	\$0.01046	\$0.06783	\$0.119
December 29, 2006	January 15, 2007	\$0.04071	\$0.01046	\$0.06783	\$0.119
	<b>2006 Total per unit</b>	<b>\$0.48852</b>	<b>\$0.12552</b>	<b>\$0.81396</b>	<b>\$1.428</b>

<sup>1</sup> Dividend represents actual dividend amount before dividend gross up.

### Trust units held outside of an RRSP, RRIF, DPSP or RESP

Unitholders holding their units outside of an RRSP, RRIF, DPSP or RESP will receive a T3 Supplementary Income Tax (T3) slip from their stockbroker. The T3 slips are required to be mailed out by March 31 of the following year. They will indicate the taxable and return of capital components of the distributions. Unitholders are required to include the amounts indicated on the T3 slip on their income tax return.

The Adjusted Cost Base (ACB) is used in calculating capital gains or losses on the disposition of trust units. Unitholders are required to reduce the ACB of their trust units by subtracting the return of capital amounts that became payable in a taxation year. Unitholders are required to keep a record of the return of capital amounts and their impact on the ACB of their trust units.

In the event a unitholder's ACB drops below zero during a taxation year, the negative amount is treated under the Act as a capital gain, which must be reported in the taxation year. The unitholder's ACB is then considered to be re-set to zero.

### Trust units held within an RRSP, RRIF, DPSP or RESP

Unitholders holding their units within an RRSP, RRIF, DPSP or RESP are not required to report any amounts on their 2006 Income Tax Returns.